

Contrasted cases.

Successes and failures of local currency schemes in France since 2010

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Abstract: The proposed text contemplates the prerequisites for the success of local currencies (starting with their objectives and the experience accumulated thus far) in the event of greater sustainability at the local level that is sought and to identify which would overcome the known difficulties so far to contribute effectively to improving the sustainability of activities at the local level: the inclusion of banks and local funding agencies and local authorities or even the facilitation of the currency via the input of external resources appear to be essential to consider the success of local currencies.

Keywords: local currencies, prerequisites for the success; sustainability; ripple effects;

1. Introduction

The local currencies which have emerged since 1991 in the West, with the first experience of the Ithaca Hour in the United States, and which have since spread to reach France in 2010, are associative local currencies for market activities (LC): *local* and *associative* since they are implemented locally from largely autonomous orientations and decisions by people who have been brought together for a locally social purpose; *market activities*, because they are intended to be accepted by market providers anchored by a fixed rate to the Euro where businesses have the opportunity to convert them under conditions. At the international level, these currencies are similar to the Chiemgauer and most currencies called *Regio* in Germany, Switzerland and Austria (Geleri, 2009; Thiel, 2012; Volkmann, 2012) or to the currencies of British cities in transition (North, 2010; Ryan-Collins, 2011). The proposed text contemplates the prerequisites for the success of such currencies, starting with their objectives and the experience accumulated thus far.

The LCs in France generally refer to one or both of the two existing networks: the “SOL Movement”, which is rooted in a co-op, and the “complementary local currencies network (MLC, for *Monnaies locales complémentaires*). This network now brings together projects and experiences arising from a challenge with the model provided by the SOL project and the projects and experiences which remained in the SOL movement but have made its model evolve. The first ones from the projects are also called “post-SOL” and the second ones

from the projects “neo-SOL” (Blanc and Fare, 2015). This network produced a Manifesto¹ which sets out four objectives: “strengthen the social link through our exchanges; encourage local consumption primarily by proximity and quality short circuits; encourage initiative, autonomy and entrepreneurial responsibility; refuse speculation”. These objectives fall within "a transformative vision to ensure transitions to a fair and sustainable way of life." This manifesto was signed by 14 projects of which 9 correspond to LCs in circulation in France, over 27 ongoing experiences at the beginning of 2015.

This text is rooted in monitoring the French experience since the implementation of the experimental SOL in 2007 and from the first “complementary local currencies” in 2010. In particular, it is based on participating in workshops, conferences, debates and symposiums since 2011 and on interviews completed in 2012-13 and recently in 2015 with a dozen managers of associative projects. The methodologies for selecting providers and their actual nature were reviewed in particular in previous works (Blanc and Fare, 2015), and the resources mobilized by these projects (Blanc and Fare, 2015), after characterizing the associative monetary projects in general as social innovations (Blanc and Fare, 2012) and reviewed their difficult relationships with local authorities (Blanc and Fare, 2013a). Lastly, this work is based on the own compilation of statistics on the currencies studied and their aggregation on a national level. After having laid out research hypotheses, they were confronted with the actors’ analyses through individual interviews.

We shall first present the LCs studied from an inventory of ongoing and completed experiences and their main characteristics (section 2). On this basis, we shall reflect upon what constitutes prerequisites for the success of these currencies in the event of greater sustainability at the local level that is sought (section 3). The accumulated experience to date seems disappointing: it seems that the circulation of local currencies has never reached a level such that significant changes would be identifiable regionally (a systematic interrogation work of existing currencies remains to be completed). We shall then try to identify which would overcome the known difficulties so far to contribute effectively to improving the sustainability of activities at the local level (Section 4): the inclusion of banks and local funding agencies and local authorities or even the facilitation of the currency via the input of external resources appear to be essential to consider the success of local currencies.

¹ The sole purpose of the Manifesto “is to establish clearly the links between the different complementary local currencies by declaring the common values to which they adhere, without undermining the individuality of each of them.” This was discussed during the bi-annual national meetings and adopted in May 2013 in Villeneuve-sur-Lot.

2. Panorama of the currencies studied

The LCs studied are third generation associative currencies. This started with the Ithaca Hour in 1991 from observing the failure of the implementation of a LETS and limitations induced by the principle of mutual credit for developing transactions including business providers. It experienced a boost in the early 2000s with the German (Regiogeld) and Brazilian (community banks on the Banco Palmas model) cases. It is only in the second half of the 2000s that it appeared in Great Britain with the local currencies of a few “cities in transition”, then in France, very early in 2010 with the so-called “complementary local” currencies. Very early in 2010, the Occitan in Pézenas and the bee in Villeneuve-sur-Lot emerged in France. The broad dynamics of local currency projects in France from the beginning of the 2010 decade falls mainly within these currencies. The first experiences emerge in small conurbations (Villeneuve-sur-Lot, Pézenas, Romans) or in a sparsely populated rural setting (Ardèche méridionale) before approaching larger conurbations (Brest, Mûrs-Erigné in the urban community of Angers, Toulouse). This type of currency is highly dynamic with approximately twenty experiences launched between 2010 and 2015 and at least as many being created or in the project stage at the beginning of 2015 (table 1).

These currencies, which are part with the Euro, are convertible but with a restriction on conversions with only businesses. The entry, by converting a national currency into a local currency, is sometimes encouraged by an enhanced rate (e.g. 21 into local currencies for 20 into national currency) as in the case of the Sol-Violette or the Elef. These models are based on partnership relationships with the local socio-economic world that are not found in the first and second generations of associative currencies (in France, SEL and Accorderies). Indeed they target people’s daily consumption habits and are therefore based on the acceptance by businesses and shops in the local currency.

Table 1 – Associative local currencies in France (2014 figures unless otherwise stated)

Currency name	Activity area	Date of putting the currency into circulation	Number of providers	Number of users	Circulating monetary mass (Euro equivalent)
Occitan	Pézenas	January 2010 (no longer circulates in 2014)	70 (may 2012)	300 (oct. 2012)	5 000 (oct. 2012)
Abeille	Villeneuve-sur-Lot	January 2010	165	500 --700	20 315
Luciole	Joyeuse – Les Vans – Aubenas	January 2011	57	124	6 000 (2012)
Commune	Roanne	April 2011	N.C.	N.C.	N.C.
Mesure	Romans – Bourg de Péage	May 2011	60	250	11 500
SOL Violette	Toulouse	May 2011	194	1 850	43 000
Bogue	Aubenas – Vals les Bains	September 2011 (no longer circulates in 2014, merger with Luciole)	42 (march 2012)	160 (july2012)	N.C.
DéoDat	Déodatie (pays de Saint-Dié des Vosges)	September 2011 (no longer circulates in 2014)	30 (october 2012)	N.C.	N.C.
Roue	Carpentras et Vaucluse	November 2011	87	150	7 000
Heol	Pays de Brest	January 2012	55	260	11 550
Cigalonde	La Londe les Maures	April 2012	49	Few hundred	8 000
MUSE	Mûrs-Erigné	April 2012	72	166	22 641
Eusko	Pays basque	January 2013	500	2000	245 000
MIEL	Libourne	January 2013	82	350	N.C.
Retz'l	Pays de Retz	April 2013	50	130	6 000
Bou'SOL	Boulogne sur Mer	May 2013	45	140	20 130
Radis	Ungersheim	July 2013	12 (july2013)	N.C.	4 000 (august 2013)
Galleco	Ille et Vilaine (Rennes, Redon, Fougères)	September 2013	111	391	25 000
Touselle	Saint-Gaudens	October 2013	20	150	6 000
Sardine	Concarneau	December 2013	30	20	1 600
Sol olymppe	Tarn et Garonne	March 2014	28	60	N.C.
Céou	Gourdon	March 2014	41	N.C.	N.C.
Maillette	Pays de Rance	May 2014	43	N.C.	N.C.
Pêche	Montreuil	June 2014	24	232	20 298
Cers	Narbonnais	July 2014	24	N.C.	N.C.
Pyrène	Ariège	July 2014	66	N.C.	N.C.
Elef	Chambéry	November 2014	29	500	N.C.
Edit	Roussillon	November 2014	N.C.	N.C.	N.C.
Eco	Annemasse	November 2014	N.C.	N.C.	N.C.
Doume	Puy de Dôme	January 2015	66	437	10 470

Source: authors from documents issued by the carrier associations, interviews conducted and the investigation carried out in 2014 by the interministerial Mission on complementary local currencies and the local exchange systems. The statistics provided relate to 2014 unless otherwise mentioned. N.C. (*Non comptabilisé*): Unrecognized. The number of users includes sometimes the providers without it being

possible to separate them. Currencies classified by date of creation. As you will see, some of them have disappeared.

From a quantitative point of view, the French dynamic is undeniable, and it is impressive in comparison with other countries. It seems close to the 2003-2008 German dynamic which seems to have since been tapped. However, it dates back only to 2010 and a few corpses were already on the path (Occitan, Déodat). There is also stagnation of some currencies which after a first phase of development fail to maintain a real momentum (Luciole, Mesure, Cigalonde, etc.), while other LCs still seem to exist but are circulated confidentially (Commune, Sardine, Radis).

Conversely, a few currencies are gradually expanding throughout the local area or by increasing their volume and/or number of users: this is the case of the Abeille, the Bou'SOL and the Roue. Only the Eusko seems to have grown rapidly and can thus be relied on, two years after its creation, for a resounding success in terms of most of the French experiments, totaling about 2,000 members and 500 providers for a money supply of approximately EUR 250,000. For a region of more than 200,000 residents, it nevertheless remains little. The 27 French experiences identified early in 2015 have a money supply in circulation of a little less than the equivalent to EUR 500,000 (including approximately 50% of Eusko), for approximately 8,500 users and 2,000 providers, i.e. probably about twice less than the SEL users.

Table 2 – Dynamics contrasted with LC experiences in France

Failures: currencies that have closed	Occitan, Déodat,
Mergers: currencies that have joined with others	Bogue
Clinical death: existing currencies that are not dynamic	Commune, Sardine
Stagnation: low dynamic currencies that have not taken off	Luciole, Mesure, Héol, Cigalonde, MUSE, Retz'l Radis, Touselle
Regular development: currencies on the rise	Abeille, Sol-Violette, Miel, Bou'SOL, Galleco, Roue
Accelerated development: currencies very rapidly on the rise	Eusko

Source authors Dynamic from observing their rise between their creation and the beginning of 2015 (as such, the currencies created in 2014 are not mentioned here). The criteria combine the number of users, that of providers and the money supply.

3. The prerequisites for success faced with reality

If the objective is to improve the sustainability of a local region, several prerequisites for success seem necessary: (1) a circulation space of such a currency should be restricted to the region considered, which leads to considering the relevant space of such a sustainable

local development. (2) it should circulate largely within this space so that it connects a significant number of actors from several activities and mobilizes actors from the region. (3) A local currency improving local sustainability must be able to be used to fund emerging social and environmental activities. (4) Finally, it must provide a ripple effect on the dynamics of the region.

3.1. The issues of size of the territory

What is the monetary space for local sustainable development: that of the neighborhood? Of the municipality? Conurbation? A wider area? The relevant territory should correspond to a consistency of internal (between regional actors) and external (inflows and outflows) flows. The notion of bioregionalism may be a horizon of thought here: a radical form of definition of the relevant region based on the consistency of all of its biophysical characteristics, including its population.

The relevant territory is that which combines a high proportion of local production of goods and services, a low volume of energy required for the transport of goods and persons and a strong ability to generate its own revenues. Such a region should emerge from its own dynamics within a perspective of sustainability. In other words, it does not pre-exist but is a potentiality of the fact that it must be built by its autonomous production capacities, particularly supply material. More broadly, it is the possible vector of relocation of the production of a number of goods consumed. It is defined by a form of proximity of the actors such that they are able to respond in several ways to their local problems. It is also culturally and symbolically based, which is a prerequisite for the emergence of forms of regional sovereignty as it is subordinated to national sovereignty. The local currencies can contribute to the definition of this relevant territory by combining geographical proximity (especially related to distances traveled and the representations that people have of the distance) and organized proximity (due to similarities or affiliation, and in this case of an organizational work of the relationship between local players) (on these terms, see Boschma, 2005).

Laurent Davezies proposes analyzing the revenue streams between regions. The external revenue of a region can be productive (by the external sale of internal productions), public (income public functions), social (social and health benefits), residential (revenue due to the local residential offer) (Davezies 2008) and these different forms of revenue constitute the “economic base”. The economic activities of proximity, however, provide internal revenues to the region from production sold locally. Basically, the relevant region of a local

currency would strengthen the internal resources of the local economy and would balance the whole; this currency would aim to develop the income generating endogenous dynamics.

The way in which the regions of circulation of local currencies were defined is very idiosyncratic: based on each territory's specificities. A clear formulation of the issue was made in the experience of the *Mesure*, in Romans-sur-Isère: the relevant region sought is the "catchment area"², a construction referring to a concept developed by DATAR the INSEE (the French national institute of statistics) (Julien and Pournard, 2004; Brutel and Levy, 2012). Such a catchment area is a "region with a geographical, social, cultural and economic coherence, expressing homogeneous needs in the area of activities and service. The delineation of a catchment area corresponds to areas of homogenous activities based on local needs and structured from the daily flow of migration of the population and the ability to attract public and private facilities and services (transport, education, health, social work)"³. The INSEE defines it more simply as "the smallest region where residents have access to the most up to date facilities and services" and obtains a zoning of France into 1666 catchment areas of which 1287 are rural (Brutel and Levy, 2012). As far as this term of "catchment area" may be refined with ideas of "regional project" or "shared region project", seeking to "develop the strengths of the region concerned" and to "strengthen mutual solidarity between urban and rural areas" in a perspective of regional sustainable development, it could suit the purpose of defining the relevant circulation area for local currencies.

Such a scale seems relevant and would thus cover a variety of regions whose size can be very different in different situations. But the regions actually covered by the local currencies are empirical constructs that are far from being dependent on objective designs. The extent and connection of activist networks, deployment opportunities, more or less risky public subsidies, etc. intermingle here. In France, the actual local currency region ranges thus from a small town (in the case of the Cigalonde, in La-Londe-les-Maures) to several regions of a department (in the case of the Galleco, in Ille-et-Vilaine) or a cultural and linguistic region (in the case of the Eusko, in the Basque country), passing through large conurbations (SOL-violette in Toulouse, Héol in Brest).

² From the French « bassin de vie », a concept which displays a meaning more related to the common space of daily life of the people than economic or even market activities.

³ Glossary of the DIACT (Interministerial Delegation for the development and competitiveness of regions), 2008.

3.2. *The actors and their diversity*

A success or failure factor is common to all currencies, regardless of the generations. As money can be assimilated, in terms of its usefulness as a means of payment to a network good (that is to say, a good whose usefulness increases with the number of its users), the success or failure of an associative currency depends in particular on the extension of the network constituted, i.e. the number of its users. The LCs are primarily built by activists associated in a non-profit organization. But two other configurations are possible: the creation by NPOs whose aims are to promote activities in the local area (associations of merchants and associations that promote social and solidarity economy) and the creation by a local authority. In all cases, it seems that the failures are those of a solitary maintenance of the project within the original group: a too militant project, not open to meaningful socio-economic partnerships (DéoDat), a project for merchants isolated in its own merchants' sphere (Occitan).

There is, however, no right number to attain: it depends on the extent of the region, the size of its population, the intensity of transactions, the activist desire of users (which reduces the need of a direct use to prove that this currency must be used), etc.

This restriction results in the need of each individual that there be a number of "providers" enough to be motivated to change from the Euro to a local currency. This number of providers depends on the extent of the region and circulation. Approximately a hundred of providers remain low in a city like Toulouse.

The starting point here is the legal restriction of the club where the currency circulates. Borders should be delineated: what is inside and what is not. Which rule should be used for this?

The issue of the objective should of course be first. But the objective also depends on who implements the project: an objective to revitalize or protect the commercial city center (La Londe-Les Maures) is quite different from an objective to contribute to a relocation and the social and ecological transition of the economy (several LCs). Above all, the ways of going about it differ. A charter is generally defined which sets goals. In less than half of the existing experiences, charters are included in the framework provided by the Manifesto of the additional local currencies. It remains to be seen under what conditions providers can integrate the system.

A tension thus appears between two attempts:

- on the one hand, set the strict values and implement them strictly, so that the monetary project is actually applied. The risk here is to exclude too many providers as well as individuals frightened by this rigidity.

- on the other hand, not fix anything: no charter, or an ineffective charter; and no selection criteria. The advantage is of course to be much more open and less exclusive. But the downside is that, in the absence of a political or ideological marker, the user or the provider will then seek their own interest: in this case, they are likely to believe that the Euro is much more interesting for them.

A third term is to establish the charter, value and selection criteria but with a flexible interpretation: talk about progress approach, introduce challenges systems in a relatively flexible constraint. For example, this applies in the case of the Eusko.

The tension can be expressed as follows. If it comes to customer loyalty within a network of merchants, it only plays on the well-known resort of interest (providing benefits to loyal customers) optionally adding that of membership (deploy a community identity linked to the region in which we live); the network can be rapidly expanded. If it is to promote the transformation of practices and representations of the public by pushing, for example, users to buy organic products made by local producers organized in cooperatives or in a community supported agriculture organisation, other behavioral springs must be enabled that refer to values and the meaning of the action; once conquered the already sensitive public activist, the hardest remains to be done. Almost all of the current French currencies are moving in this direction and, quite symptomatically, the biggest difficulty several of them face is extending the network of individual users - more than that of the providers. The question is whether efforts must be focused either on hiring new providers or new users in order to attract the others.

Success requires linking all these actors and thus going beyond the original group of activist individuals (the basis of the project, or the user base appropriating the project) by combining activist merchants and producers (so that there is a solidarity base of providers and limit conversions by creating a diversified circuit of providers) but also non-activist users and providers (without which circulation will remain confidential). To reach this goal, active communication and efforts from employees and volunteers are required.

3.3. The funding of local social and environmental activities

A local currency promoting a sustainable regional development should be able to be used to fund compatible emerging activities with such a development: social and environmental activities. As part of a complementarity logic, these types of financing should be oriented toward projects that find it difficult to be financed by the banking system because

of the uncertainty or weakness of direct financial profitability of the projects. In other words, local currencies find their natural place in solidarity financing. Two main solutions are possible: funding with local currencies (donation by the association itself, credit by partnering with a structure of ethical financing, a subsidy by local authorities) or with the national currency, from constituted reserves to back the local currency (credit or capital contribution).

This is where the problem of interest comes into play. The issue of money by credit is the normal method of creating new money. This method is very powerful, but has major flaws. Creating new money based on credit that bears interest is indeed a powerful factor of growth. The business that goes into debt for investment purposes should set out in its investment plan that the return on investment will be sufficient to cover the interest and provide a surplus beyond interest: profit for reinvestment purposes, building reserves and compensating capital providers. Creating new money based on credit that bears interest is therefore fundamentally linked to capitalism as a principle of unlimited accumulation of capital. Interest-bearing credit subjects all agents to limited accumulation - and facilitates accumulation by creditors, producing over a long period the polarization of wealth that is only counteracted by inflationary phenomena, forms of redistribution imposed by governments (tax) or disruptive catastrophic forms of positions (wars and disasters). That is why currencies for the sustainable development of regions at the local level but articulating those at the domestic level are faced with the problem of reproducing the flaws of the dominant monetary system and the difficulties of being cut off from them. It is within this context that ethical financing allows for transactions which, for some, are not encumbered by interest: capital contributions, donations, sharing the yield of ethical investments.

Also, developing a credit logic constitutes a powerful lever of building regionalized clusters. Indeed, the financing of activities increases the offer for individuals but also for businesses and therefore provides opportunities to use the internal currency. Ethical financing can thus be a source for financing local activities to respond to local needs not yet satisfied by local businesses, to avoid currency leakage outside the community. This combination, a lever of local sustainable development, could be mobilized to establish the creation of a network of ethical companies whose streams of expenses would build clusters, which would create a less dependent region of external and therefore more resilient flows.

So far, the converted currency is placed in a reserve or guarantee fund, placed in an account with a financial institution that will use it. The reinjection by the bank of deposited Euros can therefore be added to the circulation of local currency. But, so far, there are few guarantees that this injection of national currency in tandem with the local currency is done

locally and for projects compatible with the principles of a regional sustainable development. The recourse to a financial institution such as the NEF in France orients the use of funds in such a direction⁴. In the years 2010s, the NEF has been developing a programme called “Prêt de chez moi” (“loan from my home”) in order to create a financial short circuit; such a project is highly compatible with the principles of local currencies. In the Basque region, a partnership with a Basque venture capital fund (Herrikoa) facilitates the financing of local activities. Indeed, the mechanisms by which this funds injection into the region might be systematized do not yet exist everywhere: the deployment of local currencies requires advanced ethical financing, regionalized (by financial short circuits) and subjected to sustainable development criteria.

3.4. Ripple effects

The promoters of these currencies emphasize that a quantitative assessment can only be biased because the objectives of these currencies cannot be reduced to the battery of conventional activity statistics. It is true that the quest for a new society in which GDP growth must stop being the alpha and omega of any policy calls for critical reflection on the concept of wealth, which the philosopher Patrick Viveret agreed to, following on the heels of the sociologist Dominique Méda, at the beginning of the 2000s - and which also leads to working the issue of its indicators (Méda, 1999, Viveret, 2003, Gadrey and Jany-Catrice, 2012). Sustainable regional development, as it has been formulated here, should therefore be well distinguished from a growth logic at the local level. This is an assessment of their social utility to which associative local currencies must be subjected, an assessment where Gadrey (2004) showed the complexity and which ideally calls for the definition of indicators by the very same actors who are committed to the project.

More accurate investigations on the practices of individuals and providers show that these local currencies produce changes in merchant relationships and in the transaction networks (so far, however, these investigations were conducted by the currencies themselves: there are no independent works on this subject). It was noted that, for the Eusko and the Sol-Violette for example, providers had changed vendors in order to use the local currency obtained from their sales to individuals. One of the essential challenges, in fact, for the drivers of these currencies, is having them circulated: a few providers concentrate sales in the local currency and have major difficulties to use such a big amount, leading either the currency to

⁴ The NEF (Nouvelle économie fraternelle) is a French cooperative financial institution, which has nothing to do with the English NEF (New Economics Foundation).

be at a standstill, or this important providers to convert it into the national currency and thus generate major outflows⁵. Technically, the demurrage bore by those who immobilize the local currency and reconversion costs bore by those who generate outflows may play a regulating role. However, they make the acceptance of the currency by providers more difficult and the demurrage is particularly cumbersome to implement in a banknote system. As a consequence, some associations chose to postpone the demurrage (Mesure) and/or to alleviate the reconversion costs (Elef). Eventually, when providers switch their purchases to internal vendors in order to use the local currency they accumulated, the transaction networks of local providers are heading in a more sustainable direction.

The promoters also emphasize the role of popular education that these currencies have. The projects themselves require often long maturation times, averaging nearly two years for those that succeed: the circle of those who first interested should be gradually expanded so as to build a group of committed people providing upstream significant volunteer work. This work involves deploying a set of popular considerations on currency, money, finance and the economy and actually works as a strong popular education and learning time of citizens extended to the economic field: it is about appropriating expert knowledge and claiming to implement it by rubbing up against economic realities.

This implementation, in France, is based on the activation of values initially formulated in a charter, contrary to most of other cases in Europe and elsewhere. Local charters experience variations but revolve around the search for a more humane and environmentally friendly economy. Once these principles have been laid down, the challenge is to ensure that they are followed. In France, the choice was often to create accreditation committees to provide advice and a decision on the application of providers, that it must therefore be assessed in the light of the values laid down in the charter and set out in more precise criteria (Blanc and Fare, 2015).

The economy promoted by these currencies is therefore a moral economy and cannot be reduced to the single quantitative dimension of the activity, even if it remains important. The issue is, in reality, that qualitative changes at the local level gradually causes overall quantitative transformations.

⁵ In France, such serial accumulators of local currency notes include the Biocoops, which are organic farming co-operative shops.

4. Leveraging

Four perspectives seem likely to reinforce the sustainability of LCs by playing on the one hand on partnerships to promote the use of LCs by opening new markets, and on the other hand on the forms of the currency and its issuing methods. In addition, a dynamic currency requires its animation and therefore questions the related human and financial resources. Finally, the articulation of LCs with other development tools promotes their deployment.

4.1. Making new partners

As such, two central institutions must be integrated to ensure the scalability of these currencies: local and regional authorities and local and ethical banks and other financial institutions.

Local authorities can be a first pivot of the system, for several reasons. The support of local authorities on these elements is essential in scalability.

Later we will discuss the possibility that they financially support the association. They can also play a role in the circulation of money itself. In this context, they can play the role of a provider by accepting payments in the local currency for access to local public services. The first integration of local currencies in the European context was brought by an act on Social and solidarity economy voted in France in July, 2014. The Article 16 acknowledges so-called local complementary currencies under certain conditions, which allows, but does not require, the deputy head of Public Finance to accept payments with these currencies). Regional authorities could experience this method of intervention. As providers, local authorities can also pay a part of their supplier purchases and wages and salaries in the local currency (the part that may be paid in restaurant vouchers). Finally, local authorities could accept tax payments in the local currency: housing tax, property tax, local business tax.

Local governments can also distribute a portion of their aid in the local currency⁶ to increase the consumption of certain goods and services, enhance the eco-citizen gestures by delivering amounts in the local currency, subsidize access to certain goods or services such as access to fresh vegetables baskets for the most disadvantaged populations, and lastly support the financing of investment and equipment in renewable energy sources.

Local governments can finally hold a bank guarantee on deposits in the domestic currency (deposit guarantee fund) or guarantee loans under the currency. This is done to

⁶ In Toulouse, for example, city council has distributed a few batches of Sol-Violette to unemployed families.

ensure repayment in the event that one of the two parties would not be able to honor its contract. They can also match contributions directly to the fund for granting loans and thus develop a policy of active credit financing regional sustainable projects.

For their part, banks and financial institutions are required to manage the currency, to represent a trusted third party, but also to double the monetary circuit of a financial circuit. Banks consolidate the currency, can become circulation hubs, offer their expertise if it is not human labor. Partnerships with local and ethical banks may indeed be decisive. These banks must be able to establish a certain partitioning of space for the collection and distribution of savings to allocate resources collected by the associations of local currencies for regional projects that meet sustainability goals. One can imagine the next step forward in the involvement of these organizations:

- serve as a "counter currency", like other members structures of the network
- receive the consideration of issues and manage the reserve account
- manage credit or capital contribution provided by the carrier association for projects nominated by the association and its members, based on the conversion fee received.
- use this reserve account (if legally possible) to support local projects
- double (as Herrikoa) the conversion by matching contributions to a fund to support projects. More specifically, it relates to the Eusko-Herrikoa Investment Fund which tracks the amount in the 'Euskal Moneta Reserve Fund. This Fund is used to finance structuring projects for the Basque Country presented by Euskal Moneta to Herrikoa to and consistent with the objectives of the Eusko: relocation of the economy, promoting the Euskara, the Basque language, and/or environmental protection. For example projects structuring clusters in the Basque Country in agriculture, processing, manufacture, distribution, etc. These projects can be individual or collective, whose purpose is to create or preserve clusters and structuring activities. So every euro deposited on behalf of Herrikoa (conversion request) leads to the creation of an investment fund (such as a mirror funds) to finance regional projects. This investment fund is created from the equity fund of Herrikoa but corresponds to the sum of Euskos in circulation.

In fact, these financial organizations have a major role in moving the project from daily consumption (which is the case of all existing currencies) to the support of the local productive and ethical fabric and investment (very rare cases to date).

More profoundly, the local currency alone cannot generate the sustainability of the economy in which it circulates. The currency must be used as a tool for objectives itemized via multiple connected tools. For example, one can imagine that regional energy transition policies use local currencies as a means to enhance credits for green investments; such policies can be developed independently by a region, for example, or be integrated into a wider policy nationally (Magnen and Fourel, 2015). The issue is therefore to maintain the profoundly democratic and participatory dimension of the exercise of creating and deploying associative local currencies. Multistakeholder's types of social enterprise seem capable of maintaining a democratic and participatory project while integrating partners such as public authorities, as in the case of French SCIC⁷.

4.2. The issue of resources and use of the currency

The second condition, as we have said, is that, based on the relevant region, the currency circulates widely and effectively. We saw above that we are still falling short. All experiences with local currencies show at least two avenues in that direction. First, the currency will not go up, and does not circulate by itself; it takes a lot of will and human work, volunteer or employee, to increase the use of the currency. But volunteers are heavily used in the phases preceding the launch, phases which last an average two years. It is hard to imagine that volunteers are sufficient to develop the circulation of these currencies across the relevant region. We must therefore find sustainable funding for these currencies that can only be found through various partnerships: the conversion costs, for example, are not sufficient to finance all this. Access to paid employment to avoid or exceed volunteer burnout is thus a prerequisite for success; as it is very unlikely that the own revenues of the business is sufficient to finance paid labor, resources from public and/or public funding must be found and therefore engage in deep and lasting partnerships. This issue of facilitation is greater under the second and fourth conditions, that of the number of users to the extent that the work of an employee can maintain over time the project's momentum by mobilizing different users-actors from the region.

⁷ The SCIC (for *sociétés coopératives d'intérêt collectif*, ie cooperatives of collective interest) are governed by a combination of at least 3 colleges made of different categories of members.

The challenge with the current currencies is to obtain public and private support to enable them to scale out and then increase own resources. But we must therefore combine different resources in a balanced way to recruit employees while avoiding the deleterious effects of addiction to a model dominated by subsidies.

This path appeals to the activist project at the heart of an LC. The implementation of the project assumes costs that must be covered with resources whose nature must be compatible with the project. As such, a double risk of misalignment can be identified. The first risk concerns the painful adjustment between the project and its implementation, as resources constrain the space of what is achievable: a lack of resources leads to a currency well below the initial project, and therefore to dissatisfactions related to the inability to stabilize the activist project in volunteer or civic commitments. Avoiding this first risk leads to a second risk concerning the fit between the project and resources because the desired completion of the project may lead to the search for resources unthinkable from the start or refused on principle in an activist imagination braced on the principle of autonomy. The second risk is therefore that of a shift in meaning and a bifurcation of the project due to the nature of the resources, and therefore dissatisfaction related this time to "perversion" or "hijacking".

So there seems to be a tension in the quest for resources: the experimental and awareness logic, which are at the heart of these currencies, may not withstand the search for more and lasting funding. The "business model" discourse, capaciously called upon by such a local executive who is in a position to support a project, introduces a constraint that could make the currencies leave the experimental and civic framework to get him into the world of economic constraint.

4.3. Facilitate adoption by developing tools (incentives and technical)

How to facilitate and encourage the use of LCs? This central question is based particularly on two factors: first the terms of access to the LC and the other its monetary form (paper, electronic, etc.).

So in order to attract new members, one of the avenues to explore is, as we have seen, the integration of regional authorities which could pay a part of their expenses in LCs (procurement, wages, social support). There are already many cases of incited inflows through a bonus granted to supplement the purchasing power of users (eg Sol-Violette, the Elef in Chambéry or Bou'SOL). This type of incentive could be extended to providers who so wish by way of discounts for consumers paying in LCs.

But the interest of a third generation associative currency is also to have the currency circulate among providers. From this point of view, the requirement for diversity becomes even more important since this is about building clusters or circuits between suppliers. In this regard, the existence of the local currency in paper form only becomes a handicap and transactions must be able to be settled scripturally: by mobilizing a bank account (if a bank has created the corresponding accounts in the local currency) or via a relatively simple device like a mobile one (as in Bristol Pound and the Brixton Pound in the UK). Thus, the Eusko and the Sol-Violette wish to develop a digital currency tab for 2015 with the opening of LC accounts and general purpose payment card in the existing POS (POS Terminals) that can be used with the LC network member providers. This is a relevant lever for some providers as shown by a provider of the Sol-Violette: "It finally seems important to me to develop efficient technical tools to facilitate transactions in Sol-Violette. Paper money is an interesting teaching aid but its use is very limited. A digital currency, exchanges by phone, chip or through secure servers to complete account to account transactions between providers seems increasingly necessary for the development of the Sol." (SOL Annual Report, 2014)

This issue of form also concerns individuals: would the development of an SMS payment system promote the use of the LC? Would the introduction of debit cards facilitate the conversion of Euros into LCs (avoiding exchange counters, not always open and conveniently located and distributed throughout the region)? This issue of support has not been defining and is the subject of recurring debates in the French MLC (Complementary Local Currency) network.

However, it should be observed that paper currencies have the advantage of being simple and inexpensive (which also refers to the question of financial resources) and mark the minds with carrier "notes" of symbols: the elimination of paper does not seem a relevant idea because it would encounter what appears to be a basic and still generalized line of contemporary monetary practices (manual use) and it would take away from the local currency issuing associations the ability to enable civic thoughts on the currency from the paper form and symbols and techniques that it assumes. However, it is possible to double the paper form of a mobile system as is the case in Bristol (Great Britain). This assumes partnering at least one bank (given the legislation on electronic currencies that differs from that of paper currencies), which is not an easy step as shown by discussions on the Roue with the NEF to implement a SMS payment system.

4.4. *Combining local currencies with other tools*

This is about inserting the monetary tool into a regional development strategy, i.e. thinking of money as a medium, but for the purpose of change, in articulation with other dynamics or instruments working toward the same objective.

LCs can support a true regional development strategy in the sense that their leverage increases when combined with other instruments and mechanisms of the intervention policy of the local authority and its local partners.

The issues at this stage often find an answer in a close connection with the logic and tools from the social and solidarity economy for economic and social development reflected in a desire to act differently for social and cultural integration and regional cohesion (microcredit, time currencies, tontine, group purchasing, social groceries, cooperatives, ethical financing and responsible investment funds, cooperative banks, public banks) or with environmentally friendly transitional and regionally resilient policies and instruments (unconditional income, incentive for environmentally responsible behavior)

But at the upstream of this articulation between LCs and other currencies, this opening, this mobilization and support of all stakeholders should be a component of the currencies, as far as they are placed in a perspective of social change: this is indeed about collectively defining (and implementing) a new framework of values (a new development model) around which to build economic and social relationships.

The definition of the framework and the concrete functioning of the currency serves then as a forum where actors come together to consider a shared project for the region. Work on the itemization of the LC tool (a currency for what, for whom, how) is the catalyst for consultation on the regional project. This approach involving all the regional players (elected representatives, associations, citizens, companies, banks, etc.) can mesh the existing networks active on aspects of territorial development by expanding them in a comprehensive regional approach. LCs have then a Potential in terms of facilitating the networking of converging initiatives in the same region.

In this sense, they are probably mobilization or even systemization tools of regional actors by activating different forms of proximity (networking of actors, creation of production and consumption clusters). They would “*systemize*” local initiatives, i.e. “*connect them so that they form a whole*” (Morin, 2008, p. 38) in the face of a challenge and a common project, sustainable regional development. They are thus part of a process to empower people and collectives in order to act in a societal transformation objective.

5. Conclusion

Let us return to the starting requisites to conclude: (1) a circulation space of such a currency should be restricted to the region considered, which leads to considering the relevant space of such a sustainable local development. (2) it should circulate largely within this space so that it connects a significant number of actors from several activities and mobilizes actors from the region (3) A local currency improving local sustainability must be able to be used to fund emerging social and environmental activities. (4) Finally, it must provide a ripple effect on the dynamics of the region. However, in their confrontation with practice, these conditions appear subject to numerous factors and remain subordinate to articulation with the various actors and their interest in regional development strategies.

If we mainly discussed the technical aspects, two questions must not be obscured: meaning and need. Indeed, first of all the question of expanding the public user raises again the question of the meaning of the project. Further studies could afford to shed light on non-users of LCs. How to explain, for example, that activists who share the values at the heart of the implementation of LCs do not use them? But what's the use of LCs? This question so often asked to the promoters of LCs takes on all its meaning. Why do many LCs find it easy to find providers but struggle to find users, and more precisely to find active users? If there is an economic interest for providers, users sometimes do not see the usefulness of these currencies.

By this then, it might be appropriate to question the ability of LCs to meet a need. The example of the Brazil palmas could provide elements of analysis here: the establishment of the currency responded to real needs expressed by the local population, those of creating activities and jobs in the region in a dynamic of endogenous and solidarity-based regional development. This goal comes from a need for this population to build only its neighborhood and its development dates back to its history within its local institutions but illustrates perfectly the fact that they could take control of economic tools to turn them political tools. And it is from local and solidarity-based experiments that they have managed to transform their social representations, as testified by their switch to local consumption.

In this respect, it seems that it is the ripple effects through popular education and awareness especially and the mobilization of regional actors who would import more than the purely economic and quantitative aspects. In this sense, if LCs have economic dimensions, do they not primarily seek to enable symbolic and political dimensions?

Finally, LCs refers to young experiences in terms of the objectives of social change and sustainability that requires a long-term approach. The logic of experimentation and local education, which are at the heart of a number of these currencies, cannot be part of short-termism.

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SOL Annual Report 2014

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